

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6482

BILL NUMBER: HB 1056

NOTE PREPARED: Feb 1, 2006

BILL AMENDED: Jan 23, 2006

SUBJECT: Certificate of salvage title.

FIRST AUTHOR: Rep. Duncan

FIRST SPONSOR: Sen. Merritt

BILL STATUS: As Passed House

FUNDS AFFECTED: X **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Procedure for a Certificate of Salvage Title:* The bill sets the procedure for the owner to obtain a certificate of salvage title. This bill repeals and relocates language relating to the fee for the issuance of a salvage title. The bill specifies that the revenues collected from the issuance of salvage titles shall be deposited in the Motor Vehicle Highway Account (MVHA).

Class D Infraction: This bill makes it a Class D infraction for an insurance company to fail to follow certain procedures relating to the issuance of a certificate of salvage title.

The bill also makes conforming amendments.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) *Penalty Provision:* The bill provides for a Class D infraction for failure of an insurance company to follow certain procedures relating to the issuance of a certificate of salvage title. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class D infraction is \$25, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Bureau of Motor Vehicles salvage title data for CY 2004.

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